

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

770 L STREET, SUITE 1000
SACRAMENTO, CA 95814
(916) 324-2726
(916) 324-5597 FAX
<http://www.cmac.ca.gov>

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting

November 17, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Marco Firebaugh
Diane M. Griffiths
Teresa P. Hughes
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

Keith Berger, Executive Director
Paul Cerles
Enid Barnes
Theresa Bueno
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

COMMISSIONER ABSENT

Vicki Marti

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Toby Douglas, Department of Health Services

I. Call to Order

The November 17, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The November 3, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger noted that at the last Commission meeting the Commissioners approved amendments for Round 1A of the Private Hospital Supplemental Fund distribution. He indicated that almost all of the amendments have been signed and returned by the hospitals and that CMAC staff has delivered the amendments to DHS for processing. This should provide sufficient time to allow for payments to be processed and issued before the end of December.

Mr. Berger stated that CMAC sent letters to hospital associations requesting comments and input from them and their members on issues the Commission should consider in the establishment and implementation of the new Distressed Hospital Fund. Comments, are to provided be by the end of the month so staff can provide a summary to the Commissioners at the December 8.

Chair Mc Fadden requested that the letter be made available to all Selective Provider Contracting Program (SPCP) hospitals and that a template of the letter be posted on CMAC's website.

Mr. Berger informed the Commission that he had attended the California Children's Hospital Association's (CCHA) annual conference on November 4 to discuss the new hospital financing waiver and statute and how both impacts CMAC programs and CMAC interactions with the Children's hospitals. Mr. Berger stated that he felt he was able to clarify some issues regarding the Private Hospital Supplemental Fund, Round 1A, and subsequent payment rounds.

Mr. Berger indicated that another CCHA discussion was about the statutory language that allows for intergovernmental transfers (IGT) from public entities into the Private Hospital Supplemental Fund. CCHA as well as other hospitals are interested in how this language could help them work more closely with their local governments and the State to provide additional funding.

Mr. Berger stated that they also discussed the Distressed Hospital Fund and the CMAC letter that went to the hospital associations requesting their input and comments.

Mr. Berger informed the Commissioners that there are 18 new contracts and amendments before the Commission for action today. There are 55 hospital contracts and amendments scheduled for the December 8 meeting. CMAC is working with DHS, the hospitals, and health plans to prepare and finalize those documents so that they can be noticed to the Commission for next week. One of the issues, in terms of the managed care amendments, is the insertion of language necessary to reflect the changes brought about by the implementation of the Medicare Part D prescription drug plan and its impact on covered services and rates.

IV. Department of Health Services Report

Toby Douglas reported that DHS is still working with Centers for Medicare & Medicaid Services (CMS) on the definition of the terms and conditions for the Certified Public Expenditures (CPE) methodology. Mr. Douglas stated that DHS initiated a call to CMS and CMS has been responsive to the call. There is a meeting today with DHS and CMS that includes the public hospitals. DHS anticipates closure soon. The main issue is how far CMS will be willing to move away from a national perspective, to understanding and adapting the terms and conditions to the complexities of California's public hospital financial system.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.